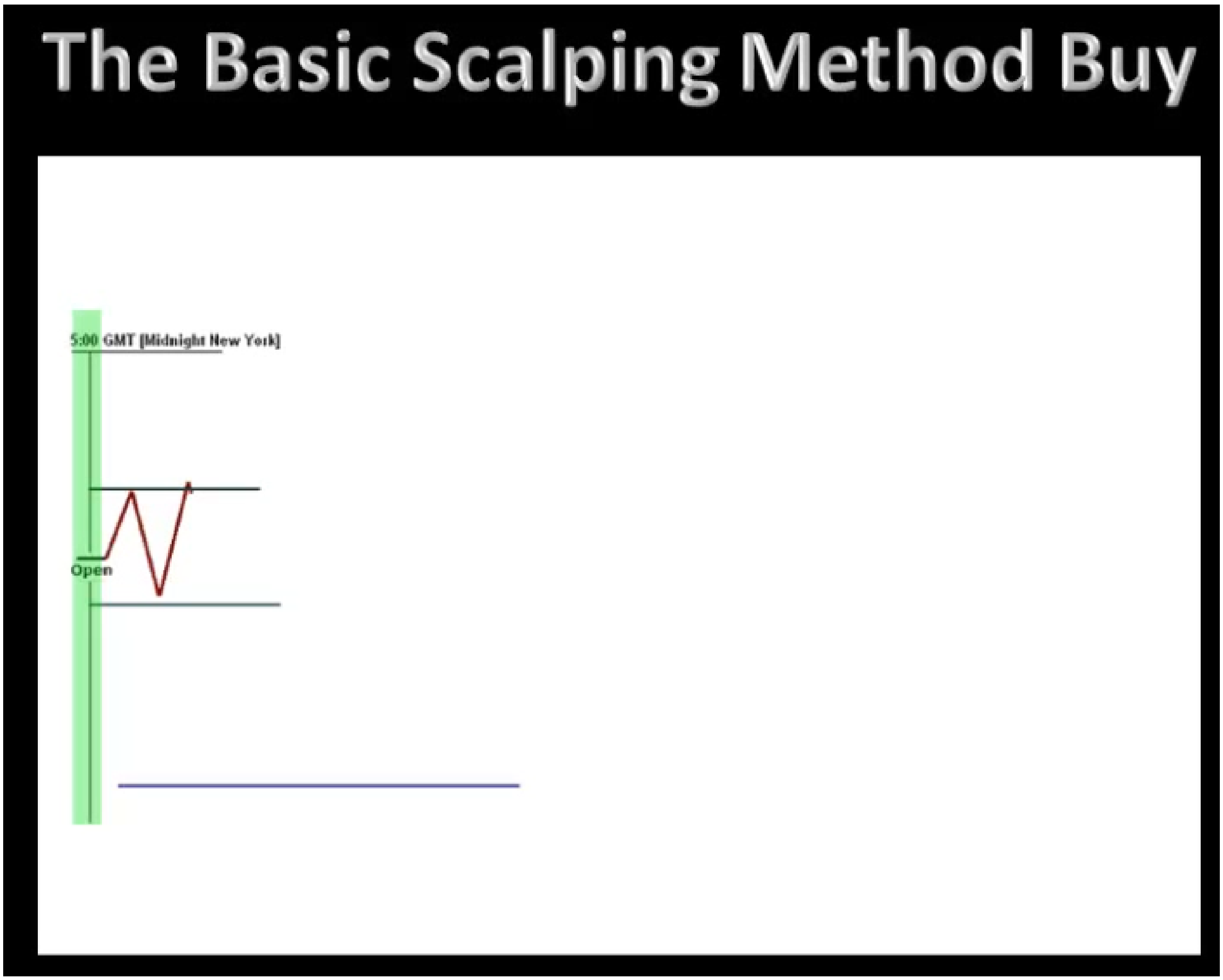
20 Pip Scalping Method

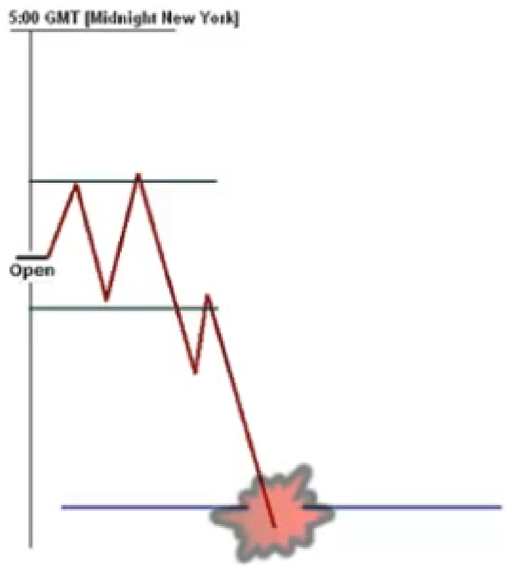
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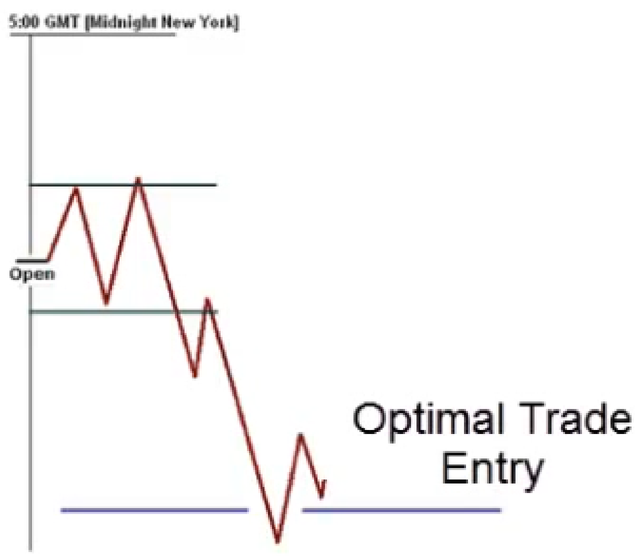
What does it require to scalp the Forex market consistently and profitably?

- Understand price action theory.
- Firm grasp of key S/R levels (mainly daily & 4 hour).
- Trading higher time frame bias.
- Take profits routinely & often.
- Trade one or two pairs at a maximum.

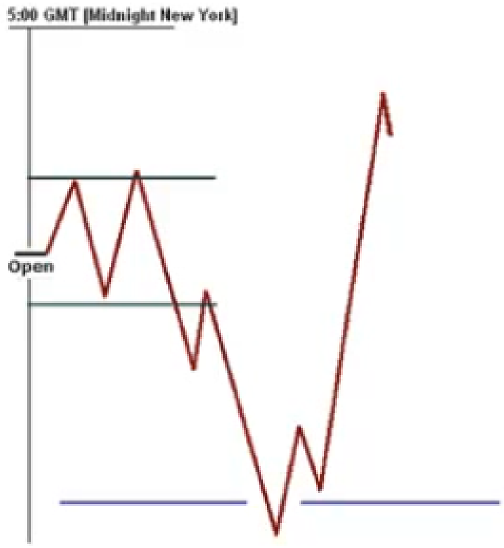


- The high or low of the day usually forms in the first 4 hours of trading (starting at 5:00GMT).
- Wait for the Judas Swing lower out of the Asian Range.
- You can trade the support level into a bearish bold faced candle on the pure notion that it is a good level and you are expecting a bounce or you can wait for the optimal trade entry after it has bounced:

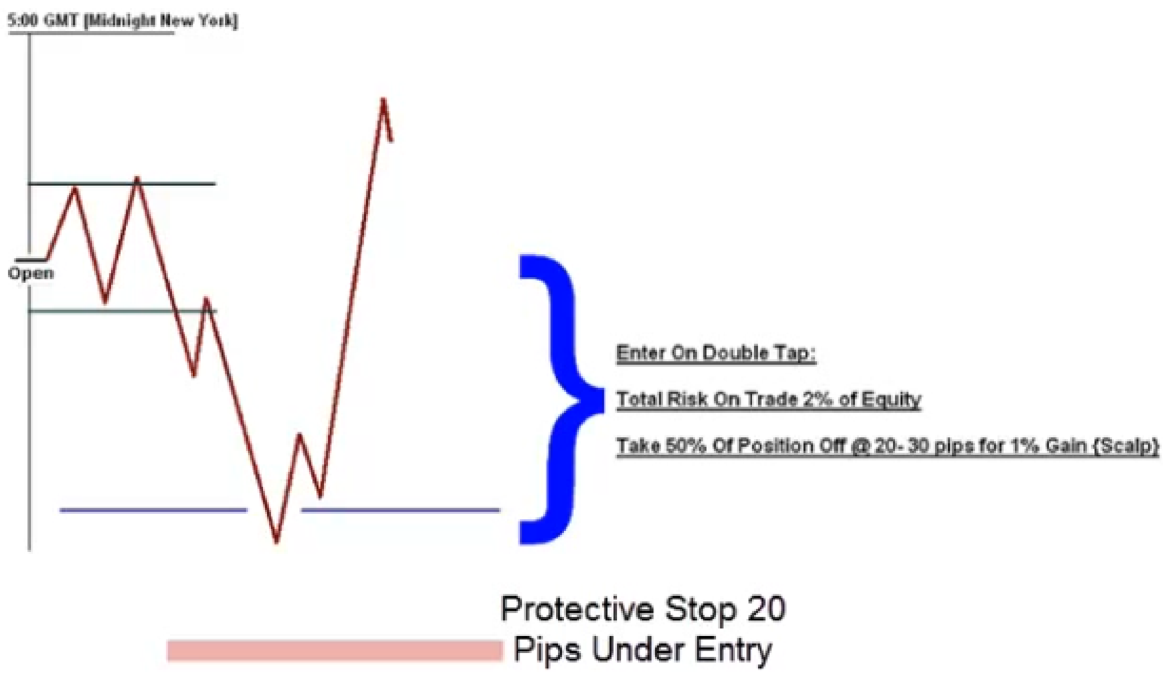




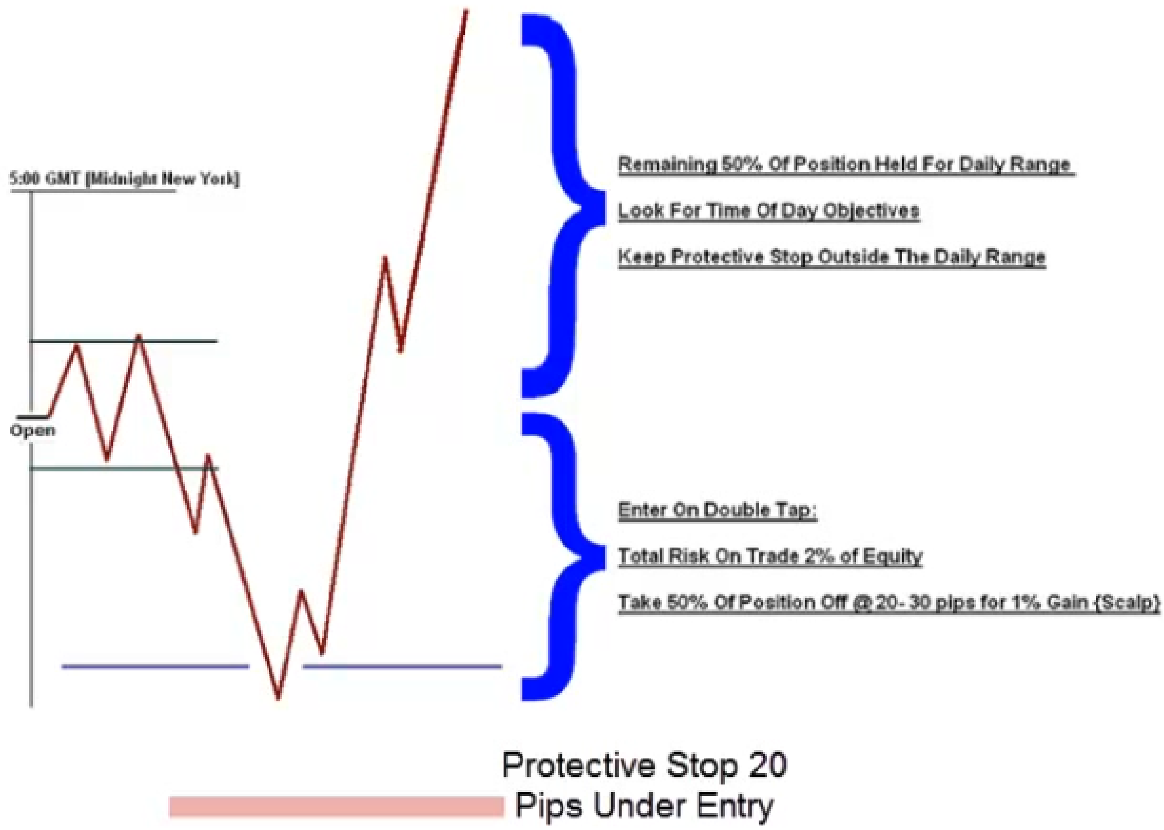
- You need to go into every scalp with at least a larger term price swing of more than 20 pips. This will develop the proper psyche for profitable trading. You will develop a professional perspective on the market. You won't be as focused on the small little 20 pip moves anymore.



- As a scalper, you will focus on the first 20 pips in terms of profit taking:



- The first profit will be a 1% gain, that is your scalp. You will ride the second portion out for the daily range while looking for time of day objectives (New York Open, 15:00 GMT, 18:00 GMT, the next day, etc.):



- The 2nd portion is where you get the huge equity increase. The first portion just satisfies the need to be right and to get some profits in the account.
- If you can do this a couple times a week, then 10-12% a month is absolutely achievable.
- With this type of trading, over time you will have losses, but when you catch that second portion it will more than offset a whole week's worth of losing trades.



- If you have 3 or 4 of these a week and you lose all of them, just catching one of them will offset that whole week.
- Use this method to help yourself develop into a short-term or swing trader.
- Do not trail the stop loss tight unless you are against the higher time frame bias.
- Reverse the diagrams for a sell model.
- If you hold onto it for multiple days, you have to be willing to absorb some retracement.
- You can also trail the stop loss tight if you are approaching the 15:00 GMT time frame.
- Trade in sync with the swing or short-term flows, then scalping can be easy.
- When you are looking to scalp in Forex or any asset class be it stocks, futures, or bonds.. there are far greater odds of success when you trade with the tide. Trying to buy, even when scalping, when the market is poised to trade lower, stakes the probabilities against you.
- **IT DOES NOT TAKE MUCH TO BUILD AN ACCOUNT UP.**
- There is nothing wrong with being uncomfortable with swing trading or short term trading. It just means your personality is not "best suited" for that type of trading. However, if you are comfortable with very short term trading or scalping, 20 pips can still build incredible wealth over time.
- Imagine making 2-3 profitable scalps that net your account 40-60 pips for the week. This can more than double your equity annually and you wouldn't spend a great deal of time in the market either. Now imagine what the other portion of your trades left to run for the daily range would do for your bottom line in addition.